

December 16, 2003

To: SUPERVISOR DON KNABE, CHAIRMAN
SUPERVISOR GLORIA MOLINA
SUPERVISOR YVONNE BRATHWAITE BURKE
SUPERVISOR ZEV YAROSLAVSKY
SUPERVISOR MICHAEL D. ANTONOVICH

From: Pastor Herrera, Jr.
Director

Subject: **ALTRIO COMMUNICATIONS INC.
NOTICE OF PENDING CLOSURE OF BUSINESS**

Altrio – Los Angeles County Agreement

On April 15, 2003, the County entered into an Open Video System (“OVS”) Agreement with Altrio Communications, Inc. (“Altrio”) They were to construct, operate, and maintain an OVS system, providing cable television service, in the Altadena, Kinneloa, Chapman Woods, La Crescenta, Montrose and South Monrovia unincorporated areas of Los Angeles County (Fifth Supervisorial District). Altrio also offered telephone and Internet services. At this time, Altrio has less than a dozen subscribers in the unincorporated Los Angeles County areas and paid \$21.77 in franchise fees to the County for the second quarter of 2003. Additionally, Altrio had contracts with the cities of Arcadia, Los Angeles, Monrovia, Pasadena, Sierra Madre, and Temple City.

Notice of Pending Closure

On Friday, December 12, 2003, Stephen R. Ross, General Counsel for Altrio called Consumer Affairs, Telecommunications Franchising Division, to inform us that Altrio is “winding down” its operations. Altrio will continue to provide services to its existing subscribers for 30 to 90 days, and is attempting to sell the business.

County Impact

Subscribers to Altrio’s services will have the option to migrate to other businesses that offer competitive services. In the case of unincorporated County cable subscribers, this would mean that they could choose to subscribe to cable and/or Internet access with Charter Communications as they also offer these services in the affected areas.

Since Altrio had not commenced any significant construction in unincorporated County areas, there should be minimal impact to the County rights-of-way. Additionally, given

the few numbers of unincorporated County subscribers, the fiscal impact is negligible.

We will continue to monitor this situation closely. However, if you have any questions please contact me at (213) 974-9750 or Fern Taylor, Chief, Telecommunications Franchising at (213) 974-2711.

PH:FT:RS

c: Chief Deputy, Each District
Board Deputy Liaison, Each District
David E. Janssen, Chief Administrative Officer
Lloyd W. Pellman, County Counsel
Kathleen D. Felice, Senior Deputy County Counsel
J. Tyler McCauley, Auditor-Controller
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